



## GOSHEN COMMON COUNCIL

### Minutes of the October 10, 2022 Regular Meeting

*Convened in the Council Chambers, Police & Court Building, 111 East Jefferson Street, Goshen, Indiana*

**Mayor Jeremy Stutsman called the meeting to order at 6:00 p.m. and led the Pledge of Allegiance.**

Before proceeding with the meeting, **Mayor Stutsman** said he wanted to make a brief public statement. He said that on Oct. 8, 2022, family and friends said goodbye to a valued friend and co-worker for the City – **Administrative City Engineer Bryce Gast**, who died on Oct. 3. The Mayor said it was a difficult death to understand and accept for the City Engineering Department and for many others. Mayor Stutsman asked for a moment of silence to honor Gast. Afterward, the Mayor expressed his best wishes for Bryce Gast's family, friends and co-workers.

**Mayor Stutsman asked the Clerk-Treasurer to conduct the roll call.**

**Present:** Megan Eichorn (District 4)                      Julia King (At-Large)                      Doug Nisley (District 2)  
                    Gilberto Pérez Jr. (District 5)                      Donald Riegsecker (District 1)                      Matt Schrock (District 3)  
                    Council President Brett Weddell (At-Large)  
                    Youth Advisor Karen C. Velazquez Valdes (Non-voting)

**Absent:**                      None

**Approval of Minutes:** Mayor Stutsman asked the Council's wishes regarding the minutes of the Sept. 19, 2022 Regular Meeting. **Councilor Eichorn made a motion to approve the minutes as submitted. Councilor King seconded the motion. The motion passed 7-0 on a voice vote.**

**Approval of Meeting Agenda:** Mayor Stutsman asked the Council's wishes regarding the meeting agenda. **Councilor King moved to approve the agenda as submitted. Councilor Eichorn seconded the motion. The motion passed 7-0 on a voice vote.**

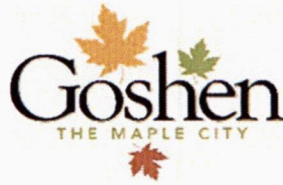
#### Privilege of the Floor:

**At 6:03 p.m., Mayor Stutsman invited public comments on matters not on the agenda.**

**Glenn Null of Goshen** said last month the Police Chief, the Assistant Chief and the County Prosecutor attended his neighborhood association's meeting. He said what was supposed to have been a 45-minute discussion lasted an hour and 15 minutes and was very positive. He said some neighborhood issues were addressed and the officials made their positions clear.

**Null** said he appreciated the Police Chief asking residents to pass on information about speeders and the Chief's statement that the Police Department would do the best it could. Null said he also appreciated that three Councilors were present. Null said the neighborhood association has also hosted visits from other City officials.

**Scott Alwine of Goshen** said he wanted to express his concern about a project coming to the Waterford area. He said he hopes residents will be able to shape the proposal so it will not hurt existing residential properties.



**Alwine** said he looked forward to hearing what the developer has in mind and hopes the City will work with residents. **Mayor Stutsman** responded that at its next meeting, on Oct. 24, the Common Council will consider a request to rezone the property in question from M1 to R3, for residential use. He said once that happens, the developer will start making plans and there will be many public meetings. The Mayor said the developer told him that neighbors will be contacted and provided with information about the plans.

**Mayor Stutsman** said there will be many opportunities for public input. He also said City officials also are concerned about the planned development and want to make sure it is in the best interests of residents. The Mayor said the City needs housing, but new housing also must be good for current residents.

**Councilor Schrock** asked if signs will be posted in the neighborhood informing residents of meetings where they can learn about the plans and comment. **Mayor Stutsman** said there already are signs in place.

**Councilor King** said she would like to see bigger signs. **Council President Weddell** said he and **Councilor King** met with **Mayor Stutsman**, **Deputy Mayor Mark Brinson**, and **City Planning & Zoning Administrator Rhonda Yoder** to discuss the project and a follow-up meeting needs to be scheduled soon. He said for a project this big, informational signage needs to be in place.

**Councilor Pérez** said he would echo **Mayor Stutsman's** comments. He said that when the Council considers the proposed development, he believes resident opinions and concerns must be considered.

Commenting on the signage, **Alwine** said signs went up on the property, but all disappeared within three days. The signs had provided notification of a Plan Commission hearing on the development.

**There were no further public comments, either from those in the Council chamber or via Zoom, so the Mayor closed Privilege of the Floor at 6:10 p.m.**

#### **1) Ordinance 5135: *An Ordinance for Appropriations and Tax Rates* (Second Reading)**

**Mayor Stutsman** called for the introduction on second reading of **Ordinance 5135 - *An Ordinance for Appropriations and Tax Rates***. **Council President Weddell** asked the Clerk-Treasurer to read **Ordinance 5135 by title only, which was done.**

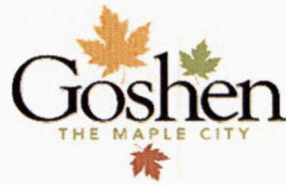
**Weddell/Riegsecker** moved to approve **Ordinance 5135** on second and final reading.

#### **BACKGROUND:**

**Before the Common Council was the City of Goshen's budget for 2023 as set forth in Ordinance 5135.**

If approved by the Common Council, the expenses of Goshen Civil City for the year ending Dec. 31, 2023, the sums herein specified would be appropriated and ordered set apart out of the several funds herein named and for the purposes herein specified, subject to the laws governing the same. Such sums herein appropriated would be held to include all expenditures authorized to be made during the year, unless otherwise expressly stipulated and provided for by law.

In addition, for the purposes of raising revenue to meet the necessary expenses of Goshen Civil City, the property tax levies and property tax rates as herein specified were included herein. Budget Form 4-B for all funds must be completed and submitted in the manner prescribed by the Department of Local Government Finance.



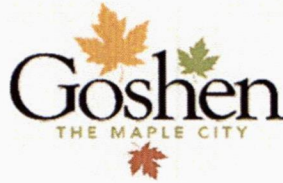
**Ordinance 5135 would be in full force and effect after its passage and approval by the Common Council in the following amounts:**

<b>Fund Code</b>	<b>Fund Name</b>	<b>Adopted budget</b>	<b>Adopted Tax Levy</b>	<b>AdoptedTaxRate</b>
0061	RAINY DAY	\$500,000	\$0	0.0000
0101	GENERAL	\$28,976,882	\$17,035,500	1.3257
0180	DEBT SERVICE	\$370,950	\$384,400	0.0299
0341	FIRE PENSION	\$566,620	\$0	0.0000
0342	POLICE PENSION	\$424,230	\$0	0.0000
0706	LOCAL ROAD/STREET	\$600,000	\$0	0.0000
0708	MOTOR VEH HWAY	\$4,387,125	\$2,750,000	0.2140
1191	CUM FIRE SPECIAL	\$250,000	\$615,100	0.0479
1301	PARK & RECREATION	\$3,353,165	\$3,801,100	0.2958
2102	AVIATION/AIRPORT	\$381,900	\$139,300	0.0108
2379	CUM CAP IMP (CIG TAX)	\$124,313	\$0	0.0000
2391	CUM CAP DEV	\$735,000	\$923,600	0.0719
2411	ECONDEV INC.TAX CED	\$2,430,250	\$0	0.0000
6290	CUM SEWER	\$200,000	\$615,100	0.0479
		<b>\$43,300,435</b>	<b>\$26,264,100</b>	<b>2.0439</b>

**Home-Ruled Funds (Not Reviewed by DLGF):**

<b>Fund Code</b>	<b>Fund Name</b>	<b>Adopted Budget</b>
9500	PROBATION DEPARTMENT	\$103,639
9501	ECONOMIC IMPROVEMENT DISTRICT	\$101,000
9502	LAW ENFORCEMENT CONTINUING EDUCATION (LECE 1)	\$0
9503	COURT FEES	\$56,750
9504	ARP Fiscal Recovery Fund	\$3,300,000
9505	RESIDENTIAL LEASE FEES	\$88,155
9506	LAW ENFORCEMENT CONTINUING EDUCATION (LECE 2)	\$34,000
9507	TIF BOND AND INTEREST	\$823,205
9508	Public Safety LOIT	\$2,399,000
9509	Township Fire Support	\$400,000
9510	REDEVELOPMENT NON-REVERTING	\$215,179
9511	STORM WATER MANAGEMENT	\$742,163
9512	TIF Lippert/Dierdorff	\$100,000
9513	SOUTHEAST GOSHEN TIF	\$6,497,919
9514	CEMETERY CAPITAL IMPROVEMENT	\$0
9517	Unsafe Buildings	\$85,000
9518	PLYMOUTH AVE. TIF	\$7,614
9521	CONS RR/US 33 TIF	\$2,695,000
		<b>\$17,648,624</b>

**After it is approved by the Common Council, the City's Ordinance for Appropriations and Tax Rates must be submitted to the Indiana Department of Local Government Finance for review and approval.**



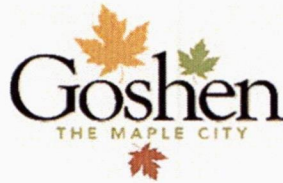
#### **SUMMARY OF SEPT. 19, 2022 COUNCIL DISCUSSION AND FIRST READING OF ORDINANCE 5135:**

**Mayor Stutsman** initiated discussion of the proposed 2023 City of Goshen budget by reviewing the budget development process as well as background and context. He made the following key points:

- **In 2018, 2019 and 2020, the City budget was between \$55 million and \$60 million.**
- **That changed because of the COVID-19 pandemic, which affected City staffing and delayed projects and spending.**
- **Because of those disruptions, the City spent only about 85 percent of its budget compared with the normal 95 percent, leaving larger cash balances – and the 2022 budget jumped to about \$72 million.**
- **The proposed 2023 budget is smaller than the 2022 budget because of lower cash balances.**
- **Assuming more projects are launched next year, the 2024 budget may revert to the lower 2018-2020 spending levels.**
- **City Departments won't spend 100 percent of their budgets in 2022 or 2023, because Departments normally end the budget year with unspent funds.**

**Amber Nielsen, a Manager at Baker Tilly, provided a 2023 budget overview by making these key points:**

- **The City's "Big Four+ Operating Funds are General, Motor Vehicle Highway, Motor Vehicle Highway Restricted, Parks and Public Safety Local Option Income Tax.**
- **The Big Four+ make up about 92% of the City's payroll and benefits (in 2022 = 93%), 77% of supplies purchased for the City (in 2022 = 87%), 62% of services and charges (in 2022 = 64%), and 49% of the City's capital budget (in 2022 = 66%).**
- **In 2012, 2013 and 2014, the City's revenues were slightly ahead of expenditures and just under \$20 million and cash balances were just above \$5 million. However, revenues and cash balances started to grow faster in 2015 and accelerated in 2020 and 2021.** She said the same pattern was evident when it came to all budgeted funds.
- **The City's 15% cash reserves and 50% cash reserves for the Big Four+ and all funds also have grown similarly.**
- **The City's historical Certified Net Assessed Value (NAV) dipped between 2012 and 2016, but it has grown since then, pushing down the City's property tax rates, which is good for taxpayers and stabilizes circuit breaker credits.**
- **The City's tax levy increases every year based on increased property taxes.** So, for 2011, the levy total was \$14,028,170 compared with \$21,509,088 in 2022. Although there have been variations, the City's assessed property values also have increased, from \$1,124,953,504 in 2011 to 1,478,084,633 in 2022.
- **An analysis of historical levies, circuit breakers, assessed values and tax rates for the City of Goshen, shows that in 2014, the City had \$4.5 million in circuit breaker credits. That means that if the circuit breaker tax credit law didn't exist, the City would have received \$4.5 million in tax revenue as well as additional revenue for other years dating back to 2011.**
- **Since 2010, the City has absorbed more than \$41.7 million of lost revenue due to the circuit breaker law. The actual revenue losses in 2022 are \$3.79 million.**
- **As in the past, the Mayor and Department heads developed the proposed 2023 budget to match the estimated available revenue with the cost of providing services without that extra tax revenue.**



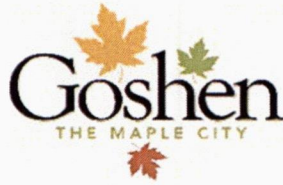
- The City's certified property tax growth rate is 5.0% for 2023, which is substantially higher than the growth rate of 4.3% in 2021. That will translate into about \$1.31 million of gross new property tax revenues for 2023.
- Once again, the City is eligible to apply for an excess three-year growth appeal, because its average assessed value growth over the past three years exceeds the statewide average. If its appeal is approved by the state Department of Local Government Finance, the City would be eligible to receive up to \$462,000 in additional property tax revenue and that would be a permanent increase.
- The City's 2022 net assessed value has been certified by the county as increasing 8.7% over the value in 2021. As a result, the City's property tax rate will decrease to \$1.4218 from 2021 rate of \$1.4552.
- For the rest of 2022 and 2023, the City is estimating an increase in expenditures that will far surpass cash balances based on worst case scenarios and spending 100% of budgeted funds both years, which has not happened in the past. Mayor Stutsman said expenditures have increased and cash reserves fallen, but this was planned in an attempt to spend down the cash balances. But he said the City's cash balances will not all be spent in 2022 or in 2023.
- Despite increased expenditures, it's still expected that the City will have operating balances to handle emergencies. Mayor Stutsman added that those estimates also don't factor in a possible successful levy appeal, extra bank interest income and cash balances carried over into 2023.
- To continue to provide and afford services to residents, the City will need to continue to control spending and maintain cash reserves.
- Over the past two years, the City received \$6.8 million in federal funds from the American Rescue Plan. The City is developing plans to use the funds in compliance with eligible spending categories.

Councilors asked clarifying questions of both Amber Nielsen and Mayor Stutsman.

Mayor Stutsman then guided council members through a comprehensive review of the 2023 Spending Plan for the City of Goshen, a 60-page document prepared by Deputy Clerk-Treasurer Jeffery Weaver, CPA.

The spending plan includes the 2020 and 2021 actual expenditures and the 2022 budgeted amounts in addition to the Mayor's proposed 2023 budget. The proposed budget was the result of many hours of conversations, strategy sessions, and planning with the Mayor, his Department heads as well as Deputy Clerk-Treasurer Weaver, Clerk-Treasurer Richard R. Aguirre and Baker Tilly consultants.

The 2023 Spending Plan for the City of Goshen includes schedules for the following general funds: Common Council, Mayor's Office, Clerk-Treasurer's Office, Legal Department, Court, Board of Works, Cemetery, Community Relations Commission, Engineering, Planning and Zoning, Central Garage, Police, Fire, and Environmental Resilience. The spending plan also includes schedules for the following: Debt Service, Fire Pension, Police Pension, Local Road and Streets, Motor Vehicle Highway, Motor Vehicle Highway Restricted, Cumulative Capital Improvement Fire, Township Fire Support, Park and Recreation, Aviation, Cumulative Capital Improvement, Cumulative Capital Development, Cumulative Capital Improvement/Storm Sewer, Economic Development, Income Tax, Probation, Economic Improvement District, Public Safety Local Option Income Tax, Court Fees, Unsafe Building, Residential Lease Fees, Law Enforcement Continuing Education (#2), Redevelopment Non-Reverting, Storm Water Management, TIF Bond and Interest, Southeast Goshen TIF, TIF Lippert/Dierdorff, Construction River Race/U.S. 33 TIF, TIF Plymouth Avenue and American Rescue Plan Grant.



Mayor Stutsman outlined each fund and occasionally paused to answer questions from Councilors. Next, the Mayor opened a public hearing on Ordinance 5135, which was before the Council for first reading. One member of the public, Glenn Null, commented. Finally, on a roll call vote, Councilors unanimously passed Ordinance 5135 on first reading by a 7-0 margin, with all Councilors voting “yes” at 7:50 p.m. The second reading was scheduled for Oct. 10, 2022.

**SUMMARY OF OCT. 10, 2022 COUNCIL DISCUSSION AND SECOND & FINAL READING OF ORDINANCE 5135:**

Mayor Stutsman reminded Councilors that Ordinance 5135 was the proposed City of Goshen budget for 2023. He said Councilors approved Ordinance 5135 on first reading at the last (Sept. 19) Council meeting and that the ordinance was before Councilors for its second and final reading tonight. The Mayor **offered the following updates and other key points:**

- The City is closely monitoring cash balances and spending them down to get to more normal budget levels because they got too high over the past few years.
- The Major Moves Fund and the Electrical Utilities Sales Fund have a combined balance of about \$6 million in cash. In the past, the City has borrowed from those funds for projects and then repaid the funds with interest to continue growing these funds.
- Those two funds were not counted in the listing of the City’s annual cash balances. So, a complete analysis would show a higher total of cash balances. However, excluding them allows the City to budget more conservatively, which is prudent.
- The overall proposed budget for 2023 is \$60,949,059, which is a dramatic decrease from the 2022 budget.
- Before the COVID-19 pandemic, the City budget was \$55 million to \$60 million, so the City is returning to previous budget levels as the Mayor stated last year. And of the nearly \$61 million for 2023, about \$3.3 million was federal funds from the American Rescue Plan Act, which must be spent by 2026.

Mayor Stutsman also said Council President Weddell sent him an email over the weekend asking how it was possible that the City’s property tax values have increased, the property tax rate has decreased and that the City’s property tax caps could also be rising. The Mayor said he asked Baker Tilly Municipal Advisors for an explanation of circuit breaker tax credits and tax caps for 2022 and related issues.

In response, Baker Tilly provided the Mayor with a two-page letter, dated Oct. 10, 2022, with explanation and analysis of the issue. The letter was provided to Councilors at the meeting (EXHIBIT #1).

The letter included a table of data showing the 2021 to 2022 change in assessed value, tax rate, gross property tax levy and circuit breaker for the City. It showed that the circuit breaker rose from \$2,648,246.61 in 2021 to \$3,786,744.54, or 42.99 percent. Baker Tilly explained that when the County’s Local Income Tax Property Tax Replacement Credit decreases, as happened between 2021 and 2022, the circuit breaker increases and more properties hit their tax caps. Baker Tilly provided a second table that showed the increase in countywide circuit breaker credits. Baker Tilly reported that another possible cause of the tax cap increase was that Goshen and Concord Schools’ circuit breaker exempt tax rates went down, but the non-exempt tax rates went up. The non-exempt tax rates would be included in determining the amount of circuit breaker credits on a tax bill while exempt rates do not factor into that calculation – and this would also explain the increase in County-wide circuit breaker credits. And an increase in circuit breaker credits means more taxpayers reach their property tax caps.



**Mayor Stutsman** cautioned that the tax cap estimate – and potential loss – is just an estimate from the State and will not be finalized until next year.

**Mayor Stutsman** said he hadn't received any other questions or concerns from Councilors about the budget. He said he would be happy to answer additional questions. **Councilor Eichorn** asked if any Councilors had budget questions they wanted to discuss.

**Councilor Riegsecker** asked why the budget for the Mayor's retirement declined from \$53,750 in 2022 to \$4,725 in 2023. **Mayor Stutsman** said he would need to check with the Clerk-Treasurer's Office because he doesn't provide those figures. He affirmed that it was a big decrease and it would need to be fixed by shifting funds from elsewhere in the budget and he jokingly added that he hoped he wasn't retiring next year.

**Council President Weddell** asked why the Environmental Resilience Department's budget for infrastructure was increasing from \$15,000 in 2022 to \$60,000 in 2023. **City Director of Environmental Resilience Aaron Sawatsky Kingsley** said renovations are planned for the Rieth Interpretive Center – \$25,000 to \$30,000 to reconfigure office space to accommodate more staff members while preserving public access. He said funds will also be spent for EV (Electric Vehicle) charging stations. The **Mayor** said the City has shown Bill Rieth the plans for the building and he was happy to learn about the increased use of the building.

**Councilor Riegsecker** asked about the elimination of the \$145,400 in Police increment pay budgeted in 2021 from the 2022 budget while longevity pay increased from \$36,000 in 2022 to \$182,790 in 2023. **Mayor Stutsman** said increment pay was rolled into longevity pay during the last police union negotiations.

**Mayor Stutsman** also said the \$500,000 previously allocated to the General Fund's Board of Works budget to respond to emergencies, was being moved to the City's Rainy Day Fund. He said the funds would not be spent in 2023 unless there was an emergency.

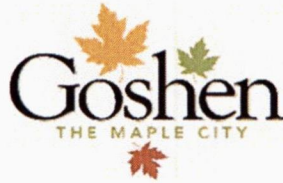
**Councilor Schrock** asked if the funds could be used in case of a major snow storm that required City crews to drive day and night for days. **Mayor Stutsman** responded that he believes that, according to the city's ordinance, rainy day funds can only be used in case of an emergency declared by the county or state. So, the funds could only be used to respond to a snow storm of that magnitude.

**Councilor Riegsecker** asked about the increase in the equipment budget in the Motor Vehicle Highway Fund from \$150,000 in 2022 to \$650,000 in 2023. **Mayor Stutsman** said previous orders for equipment have not been filled, but 2023 could be a big year with increased purchases. He said City funds have been carried over for this purpose.

**Councilor Pérez** asked about the \$180,000 budgeted for the comprehensive plan in the Park and Recreation Fund when nothing was budgeted in 2020, 2021 and 2022. **City Superintendent of Parks & Recreation Tanya Heyde** said her department was budgeting for its five-year master plan and work will begin in 2023. She also described a few additional expenses.

**Councilor Riegsecker** said he appreciated all of the work that went into developing the budget, adding that this made it simple to review the budget.

**There were no further comments or questions from Councilors.**



At 6:23 p.m., Mayor Stutsman opened a public hearing on Ordinance 5135, *An Ordinance for Appropriations and Tax Rates*, which was before the Council for a second and final reading.

Glenn Null of Goshen said he noticed that the City has provided the Goshen Theater with \$75,000 in 2020 and 2022, \$50,000 in 2021 and plans to provide \$75,000 in 2023 from the Economic Development and Income Tax Fund. He said that despite those contributions, the City Community Relations Commission was being charged \$1,400 to use the theater for an upcoming event. As a taxpayer, Null said it "hurts" that the City has to pay to use the theater. He also said he hopes the City is maintaining an adequate **rainy day fund**.

Mayor Stutsman responded that the Goshen Theater has been an "excellent partner" for the City and offers the City a discount for the use of the space as well as free usage. He said he negotiates free use for the City every year.

Nick Kieffer, president and CEO of the Goshen Chamber of Commerce, said he appreciated the funding (\$50,000) provided to the Chamber every year for contracted services.

There were no further public comments, so at 6:28 p.m., Mayor Stutsman closed the public hearing on Ordinance 5135.

There were no further questions or comments from Councilors. Councilors also indicated they were ready to vote. Mayor Stutsman said he appreciated all of the help from City staff in developing the budget over the past four months. He then asked the Clerk-Treasurer to conduct a roll call vote.

On a roll call vote, Councilors unanimously passed Ordinance 5135 on second and final reading by a 7-0 margin, with all Councilors voting "yes" at 7:50 p.m. Youth Adviser Velazquez Valdes also voted "yes."

## 2) Ordinance 5137: 2023 Compensation for Elected Officials (First & Second Reading)

Mayor Stutsman called for the introduction of Ordinance 5137: *2023 Compensation for Elected Officials*.

Council President Weddell asked the Clerk-Treasurer to read Ordinance 5137 by title only, which was done.

Weddell/Pérez moved to approve Ordinance 5137 on first reading.

### BACKGROUND:

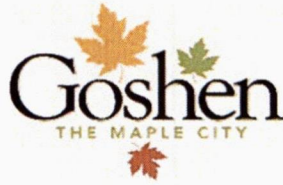
Ordinance 5137 establishes the 2023 compensation for elected officials.

Under Ordinance 5137, Goshen elected officials would receive the following bi-weekly salaries in 2023:

- (A) **Mayor** – Three Thousand Nine Hundred Twenty-six Dollars (\$3,926).
- (B) **Clerk-Treasurer** – Two Thousand Nine Hundred Ninety-two Dollars (\$2,992).
- (C) **Judge** – Two Thousand One Hundred Fifty Dollars (\$2,150).
- (D) **Common Council Members** – Six Hundred Twenty-five Dollars (\$625).

Ordinance 5137 also: establishes additional compensation for a Common Council member serving on a collective bargaining unit negotiation team (\$500 stipend); sets the longevity pay increases for the Mayor (\$5,000 each year commencing at the beginning of the Mayor's fifth year in office); and described the Public Employee's Retirement Fund benefits for the Mayor, Clerk-Treasurer and Judge.





**Ordinance 5137 also:** describes the health insurance benefits for the Mayor and Clerk-Treasurer; sets the cell phone stipends for the Mayor, Clerk-Treasurer and Judge (\$50 maximum per month) and establishes the annual technology stipend (\$500) for Common Council members.

**OCT. 10, 2022 DISCUSSION AND PASSAGE OF ORDINANCE 5137:**

**Mayor Stutsman** said Ordinance 5137 was one of five City compensation ordinances to be considered by the Common Council tonight. He said that **Shannon Marks, the City's Legal Compliance Administrator**, wrote a memorandum, included in the Council's agenda packet, providing an overview of the 2023 compensation ordinances. The memo described the major changes from the 2022 compensation ordinances.

**Mayor Stutsman** said all of the 2023 compensation ordinances were based on negotiations last year with all of the City's employee bargaining units. He said almost all City employees will receive 3.5% pay increases next year and there have been some changes in health insurance and other benefits. He said there were no significant changes in the 2023 ordinance for the compensation of elected officials.

At 6:30 p.m., **Mayor Stutsman** invited public comments on Ordinance 5137. There were none.

There were no questions or comments from Councilors, who also indicated they were ready to vote.

**On a voice vote, Councilors approved Ordinance 5137, 2023 Compensation for Elected Officials, on first reading by a 7-0 margin, with all Councilors voting "yes" at 6:30 p.m.**

Councilors gave unanimous consent to proceed with a second and final reading of Ordinance 5137.

**Mayor Stutsman** called for the introduction, on second reading, of Ordinance 5137: *2023 Compensation for Elected Officials*. Council President **Weddell** asked the Clerk-Treasurer to read Ordinance 5137 by title only, which was done.

**Weddell/Schrock** moved to approve Ordinance 5137 on second and final reading.

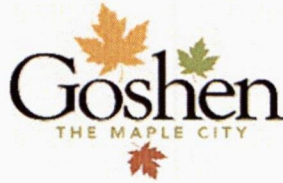
There were no comments or questions from members of the audience or Councilors. Councilors also indicated they were ready to vote.

**On a voice vote, Councilors approved Ordinance 5137, 2023 Compensation for Elected Officials, on second and final reading by a 7-0 margin, with all Councilors voting "yes" at 6:31 p.m.**

**3) Ordinance 5138: 2023 Compensation for Civil City and Utilities Employees (First, Second Reading)**

**Mayor Stutsman** called for the introduction of Ordinance 5138: *2023 Compensation for Civil City and Utilities Employees*. Council President **Weddell** asked the Clerk-Treasurer to read Ordinance 5138 by title only, which was done.

**Weddell/Eichorn** moved to approve Ordinance 5138 on first reading.



**BACKGROUND:**

**Ordinance 5138 establishes the 2023 compensation for Civil City and Utilities employees, except for Police and Fire Department employees.**

**Ordinance 5138** is a 16-page document which sets forth the employees covered by the ordinance, lists positions, classifications, grades and wages, describes how and when wages are paid, pension and health insurance benefits, vacation leave, sick leave, holidays (11), floating holidays, increment pay, longevity bonuses, funeral leave, court duty pay, paid leave, clothing and fitness allowances, CPA license pay, state certification bonuses, cell phone stipends, collective bargaining agreement provisions, overtimes compensation and other provisions. Attached to Ordinance 5138 were five exhibits (documents) which lists all City positions, by Department, as well as the wages for each City pay grade, the hourly wages for Teamster employees, and for ungraded employees.

**OCT. 10, 2022 DISCUSSION AND PASSAGE OF ORDINANCE 5138:**

**Mayor Stutsman** said Ordinance 5138 covers the compensation for Civil City and Utilities employees. He said all City employees will receive 3.5% pay increases with the exception of Class A employees who recently were granted a substantial pay increase by the Common Council. The Mayor said the ordinance also includes changes in benefits for permanent part-time employees.

**Councilor Pérez** said it was great the City was adding a position for interns.

At 6:33 p.m., Mayor Stutsman invited public comments on Ordinance 5138. There were none.

Councilors had no further questions or comments and also indicated they were ready to vote.

**On a voice vote, Councilors approved Ordinance 5138, 2023 Compensation for Civil City and Utilities Employees, on first reading by a 7-0 margin, with all Councilors voting "yes" at 6:34 p.m.**

Councilors gave unanimous consent to proceed with a second and final reading of Ordinance 5138.

Mayor Stutsman called for the introduction, on second reading, of Ordinance 5138: **2023 Compensation for Civil City and Utilities Employees**. Council President Weddell asked the Clerk-Treasurer to read Ordinance 5138 by title only, which was done.

Weddell/Eichorn moved to approve Ordinance 5138 on second and final reading.

There were no further comments or questions from Councilors or members of the audience. Councilors also indicated they were ready to vote.

**On a voice vote, Councilors approved Ordinance 5138: 2023 Compensation for Civil City and Utilities Employees, on second and final reading by a 7-0 margin, with all Councilors voting "yes" at 6:34 p.m.**

4) Ordinance 5139: 2023 Compensation for Fire Department Employees (First, Second Reading)



Mayor Stutsman called for the introduction of Ordinance 5139: *2023 Compensation for Fire Department Employees*. Council President Weddell asked the Clerk-Treasurer to read Ordinance 5139 by title only, which was done.

Weddell/Pérez moved to approve Ordinance 5139 on first reading.

**BACKGROUND:**

Ordinance 5139 establishes the 2023 compensation for Fire Department employees. Similar to Ordinance 5138, it sets forth a wide range of compensation provisions for Fire Department employees, including who is covered, wages, benefits, vacation and sick leave, holiday compensation, longevity increases in pay, uniform allowances, certification pay, classification pay, and more.

**OCT. 10, 2022 DISCUSSION AND PASSAGE OF ORDINANCE 5139:**

Mayor Stutsman said Ordinance 5139 covered Fire Department. He said that besides the 3.5% employee pay increase and health insurance increases, there were no major changes from the 2022 Fire Department pay ordinance. There were no comments or questions from Councilors.

At 6:35 p.m., Mayor Stutsman invited public comments on Ordinance 5139. There were none.

Councilors had no further questions or comments and indicated that they were ready to vote.

*On a voice vote, Councilors approved Ordinance 5139, Compensation for Fire Department Employees, on first reading by a 7-0 margin, with all Councilors voting “yes” at 6:35 p.m.*

Councilors gave unanimous consent to proceed with a second and final reading of Ordinance 5139.

Mayor Stutsman called for the introduction, on second reading, of Ordinance 5139: *Compensation for Fire Department Employees*. Council President Weddell asked the Clerk-Treasurer to read Ordinance 5139 by title only, which was done.

Weddell/Schrock moved to approve Ordinance 5139 on second and final reading.

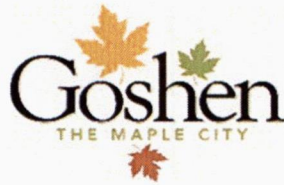
There were no comments or questions from members of the public or Councilors. Councilors also indicated they were ready to vote.

*On a voice vote, Councilors approved Ordinance 5139: Compensation for Fire Department Employees, on second and final reading by a 7-0 margin, with all Councilors present voting “yes” at 6:36 p.m.*

**4) Ordinance 5140: 2023 Compensation for Police Department Employees (First, Second Reading)**

Mayor Stutsman called for the introduction of Ordinance 5140: *2023 Compensation for Police Department Employees*. Council President Weddell asked the Clerk-Treasurer to read Ordinance 5140 by title only, which was done.

Weddell/Nisley moved to approve Ordinance 5140 on first reading.



**BACKGROUND:**

Ordinance 5140 establishes the 2023 compensation for Police Department employees. Similar to Ordinance 5139, it sets forth a wide range of compensation provisions for Police Department employees, including who is covered, wages, benefits, vacation, sick and personal leave, holiday compensation, longevity increases in pay, clothing allowances, technical skills pay, specialty pay, shift differentials, court time pay, a residency bonus, a hiring bonus, and more.

**OCT. 10, 2022 DISCUSSION AND PASSAGE OF ORDINANCE 5140:**

Mayor Stutsman said Ordinance 5140, for police, made similar changes as Ordinance 5139 did for Fire Department employees.

There were no questions or comments from Councilors.

At 6:37 p.m., Mayor Stutsman invited public comments on Ordinance 5140. There were none.

Councilors had no further questions or comments and indicated that they were ready to vote.

**On a voice vote, Councilors approved Ordinance 5140, *Compensation for Police Department Employees*, on first reading by a 7-0 margin, with all Councilors voting "yes" at 6:37 p.m.**

Councilors gave unanimous consent to proceed with a second and final reading of Ordinance 5140.

Mayor Stutsman called for the introduction, on second reading, of Ordinance 5140: *Compensation for Police Department Employees*. Council President Weddell asked the Clerk-Treasurer to read Ordinance 5140 by title only, which was done.

Weddell/Riegsecker moved to approve Ordinance 5140 on second and final reading.

There were no comments or questions from members of the public or Councilors. Councilors also indicated they were ready to vote.

**On a voice vote, Councilors approved Ordinance 5140, *Compensation for Police Department Employees*, on second and final reading by a 7-0 margin, with all Councilors voting "yes" at 6:37 p.m.**

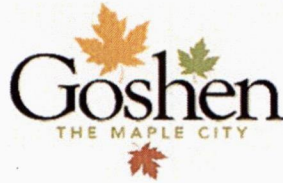
**5) Ordinance 5141: 2023 Compensation for Police Reserve Officers (First, Second Reading)**

Mayor Stutsman called for the introduction of Ordinance 5140: *2023 Compensation for Police Reserve Officers*. Council President Weddell asked the Clerk-Treasurer to read Ordinance 5141 by title only, which was done.

Weddell/Nisley moved to approve Ordinance 5141 on first reading.

**BACKGROUND:**

Ordinance 5141 establishes the 2023 compensation for Police Reserve Officers.



Ordinance 5141 establishes the compensation for Police Reserve Officers, which includes a uniform allowance (\$500), court appearance compensation (which is the current overtime rate per hour for a Probationary Patrol Officer) and coverage and pay for a duty-related illness or injury.

**OCT. 10, 2022 DISCUSSION AND PASSAGE OF ORDINANCE 5141:**

Mayor Stutsman said Ordinance 5141 covered Police Reserve Officers.

There were no questions or comments from Councilors.

At 6:38 p.m., Mayor Stutsman invited public comments on Ordinance 5141. There were none.

Councilors had no further questions or comments and indicated they were ready to vote.

**On a voice vote, Councilors approved Ordinance 5141, *Compensation for Police Reserve Officers*, on first reading by a 7-0 margin, with all Councilors voting “yes” at 6:38 p.m.**

Councilors gave unanimous consent to proceed with a second and final reading of Ordinance 5141.

Mayor Stutsman called for the introduction, on second reading, of Ordinance 5141: *Compensation for Police Reserve Officers*. Council President Weddell asked the Clerk-Treasurer to read Ordinance 5141 by title only, which was done.

Weddell/Riegsecker moved to approve Ordinance 5141 on second and final reading.

There were no comments or questions from members of the public or Councilors. Councilors also indicated they were ready to vote.

**On a voice vote, Councilors approved Ordinance 5141, *Compensation for Police Reserve Officers*, on second and final reading by a 7-0 margin, with all Councilors voting “yes” at 6:39 p.m.**

**7) Ordinance 5142: Additional Appropriations (First, Second Reading)**

Mayor Stutsman called for the introduction of Ordinance 5142: *Additional Appropriations*. Council President Weddell asked the Clerk-Treasurer to read Ordinance 5142 by title only, which was done.

Weddell/Nisley moved to approve Ordinance 5142 on first reading.

**BACKGROUND:**

Ordinance 5142, *Additional Appropriations*, requested authorization from the Council and Mayor to spend additional and available money from various accounts. The Mayor and Clerk-Treasurer requested this ordinance because the Common Council is the City’s fiscal body, which authorizes the City’s budget and any budget adjustments.

As outlined in an Oct. 10, 2022 memorandum to the Council from Deputy Clerk-Treasurer Jeffery Weaver, an appropriation is “permission to spend available money” and is tied to a specific fund.



**Weaver** wrote that: "Within a fund there are four spending categories and multiple accounts. It is possible to get permission to move budgeted spending between accounts and categories, but sometimes the total appropriations within a fund is insufficient for the fund's total spending, due to emergencies, unforeseen circumstances, or budget errors. **In this case, the Mayor and Clerk-Treasurer propose an additional appropriation if the expenditures are necessary and paying the expenditure might otherwise overspend the budgeted appropriation.** After Council approval, the Clerk-Treasurer submits the additional appropriation to the Department of Local Government Finance (DLGF) for final approval. The DLGF will only approve an additional appropriation if the Clerk-Treasurer proves that the City has cash available for the additional appropriation and the following year's budget."

**Weaver reported that the additional appropriations requested through Ordinance 5142 were prompted by the following circumstances:**

- In the case of the **Coronavirus and ARP Grant funds**, the City's auditors recommended the City transfer the money to the **General and Aviation funds**. The City applied for these grants using prior year spending, so the cash should now move to the appropriate funds. Once the money is transferred, each of these grant funds will be depleted and terminated at the end of the year per the federal grant rules.
- For the **Aviation Fund and the Cumulative Capital Improvement Fire Fund**, the respective departments encountered substantial capital improvement projects in 2022 that required spending beyond the current budgeted amounts.
- The **Brownfield Revolving Loan Fund** is currently paying for cleanup projects throughout the City. The City did not establish a budget for this fund in prior years, but the City has spent \$102,769.58 so far in 2022 and needs to appropriate these expenditures in order to remain in compliance with the State's appropriation requirements.
- The City needed **emergency repairs to equipment** including the remount of an ambulance and the frame rail replacement on a quint fire truck.

**Weaver** concluded his memo as follows: "Again, each affected fund has sufficient cash balances to spend these appropriations. If the ordinance is approved by the Council, the Clerk-Treasurer's office will submit necessary information to the DLGF for final approval."

#### **OCT. 10, 2022 DISCUSSION AND PASSAGE OF ORDINANCE 5142:**

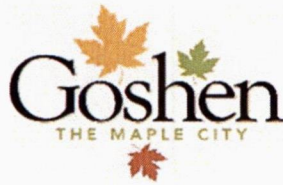
**Mayor Stutsman** invited comments from **Deputy Clerk-Treasurer Jeffery Weaver**, who provided background and context for Ordinance 5142. He briefly described the difference between appropriations and category transfers. Weaver discussed the rationale for the requested appropriations, which were also outlined in his memorandum to the Council. **Mayor Stutsman** noted that some of the appropriations were transfers and not additional expenditures.

**Councilors thanked Weaver for his work and for making the process easier to understand.**

**At 6:42 p.m., Mayor Stutsman invited public comments on Ordinance 5142. There were none.**

**Councilors had no further questions or comments and indicated they were ready to vote.**

**On a voice vote, Councilors approved Ordinance 5142, *Additional Appropriations*, on first reading by a 7-0 margin, with all Councilors voting "yes" at 6:42 p.m.**



Councilors gave unanimous consent to proceed with a second and final reading of Ordinance 5142.

Mayor Stutsman called for the introduction, on second reading, of Ordinance 5142: **Additional Appropriations**. Council President Weddell asked the Clerk-Treasurer to read Ordinance 5142 by title only, which was done.

Weddell/Nisley moved to approve Ordinance 5142 on second and final reading.

There were no comments or questions from members of the public or Councilors. Councilors also indicated they were ready to vote.

**On a voice vote, Councilors approved Ordinance 5142, Additional Appropriations, on second and final reading by a 7-0 margin, with all Councilors voting "yes" at 6:44 p.m.**

#### 8) Resolution 2022-24: Category Transfers

Mayor Stutsman called for the introduction of Resolution 2022-24: **Category Transfers**. Council President Weddell asked the Clerk-Treasurer to read Resolution 2022-24 by title only, which was done.

Weddell/Schrock moved to approve Resolution 2022-24.

#### BACKGROUND:

Resolution 2022-24, **Category Transfers**, requested authorization from the Council and Mayor to move available resources between major categories within the City's funds. The Mayor and Clerk-Treasurer requested this resolution because the Common Council is the City's fiscal body which authorizes the City's budget and any budget adjustments.

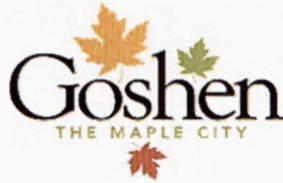
As outlined in an Oct. 10, 2022 memorandum to the Council from Deputy Clerk-Treasurer Jeffery Weaver, an appropriation is "permission to spend available money" and is tied to a specific fund. Within a fund there are four spending categories and multiple accounts.

The Department of Local Government Finance (DLGF) requires Council approval to move an appropriation from one category to another. The Council can approve this when a department needs additional room to spend in one category and has available appropriations in another category.

Weaver wrote: "By moving an appropriation from one category to another, the Council is only changing the category from which the City pays an expenditure. The Council is not approving any additional spending, so the fund's total appropriation remains the same.

Weaver wrote: "For each of the category transfers in Resolution 2022-24, a Department head recognized a need in one of their budget categories, reported the need to the Mayor and Clerk-Treasurer, and requested that the Council approve the transfer so they can continue their operations." They cited these needs:

- The Cemeteries need to replace an aging compact tractor sooner than expected, and needed an additional \$4,000 appropriation in the Capital Outlays category. Due to understaffing this year, there was appropriations available in the Part-Time Wages budget.



- Due to understaffing, **Central Garage has been outsourcing City vehicles to local garages and repair shops.** This resulted in **\$83,500** of unspent appropriations in Part-Time Wages to be transferred to Other Services & Charges and Capital Outlays.
- The **Fire Department is paying more invoices** from Other Services & Charges than expected while the department doesn't not expect to see as many expenses in Medical Supplies. The Fire Department expects they will need the **\$10,300** in Other Services & Charges instead of Supplies.
- The City budgeted more wages than necessary in the Board of Works wages line in case the 2022 **Personal Services appropriations in other departments was insufficient.** The Fire Department **has paid nearly all of its Overtime budget for 2022, and will benefit from a \$50,000 category transfer** from the Board of Works Wages. **Central Garage encountered unprecedented fuel costs in recent months and will receive a \$100,000 category transfer** from the Board of Works wages fund.
- The **City Court did not anticipate the need for a metal detector and lobby monitor** when budgeting for 2022. Sufficient appropriations existed in the Maintenance Contract line (Other Services & Charges), but the Court needed to make the purchase from the Office Equipment line (Supplies).

**Weaver** concluded his memo: "If the Council approves the proposed category transfers, the Clerk-Treasurer will then register the adjustments in the City's books and communicate the transfers to the Departments. These category transfers are adjustments that only require Council approval to be final, and do not require notification to the DLGF."

#### **OCT. 10, 2022 DISCUSSION AND PASSAGE OF RESOLUTION 2022-24:**

**Mayor Stutsman** said additional funds were budgeted in Board of Works funds that now need to be moved to meet other City needs. He said the City's fuel funds have been hit hard by price increases, so there are increased needs by the Police, Fire, and Street departments. The Mayor said he was suggesting moving \$100,000 of those funds and moving them to the Central Garage fuel line to cover increased fuel costs. He said the Fire Department also needed an additional \$50,000 to cover overtime pay in response to more calls for service and staff injuries.

**Deputy Clerk-Treasurer Jeffery Weaver** provided background and context for category transfers. He said the remaining transfers were described in the printed information provided to the Council. **Mayor Stutsman** said most category transfers reflect that the Mayor and Department heads made their best guesses about their expenses per area in 2022, but that transfers were now necessary to make up for shortfalls in specific funds.

At 6:48 p.m., **Mayor Stutsman** invited Council and public comments on Resolution 2022-24. There were none. Councilors indicated they were ready to vote.

**On a voice vote, Councilors approved Resolution 2022-24, Category Transfers, by a 7-0 margin, with all Councilors voting "yes" at 6:48 p.m.**

#### **9) Ordinance 5134: Bond Issuance for Greenwood Rental Properties (Indiana Avenue Apartments)**

**Mayor Stutsman** called for the introduction on second reading of Ordinance 5134: **Bond Issuance for Greenwood Rental Properties (Indiana Avenue Apartments).** Council President **Weddell** asked the Clerk-Treasurer to read Ordinance 5134 by title only, which was done.

**Weddell/Eichorn** moved to approve Ordinance 5134 on second and final reading.





**BACKGROUND:**

**Ordinance 5134 was presented to the City Council for second and final reading.** A copy of the ordinance, along with all of the financing documents as exhibits, was included in the Council packet. **The ordinance would authorize the City's issuance of a taxable Economic Development Revenue bond specifically for the Indiana Avenue Apartment Project and the issued bonds would be purchased by Greenwood Rental Properties, LLC, or their bank, to fund infrastructure components for their project.**

The Economic Development Commission (EDC) met earlier on Oct. 10, 2022 and approved the bond. City staff worked with the City's bond counsel, Ice Miller, the City's financial advisors, Baker Tilly, Greenwood Rental Properties, LLC and First State Bank to finalize the financing documents.

**The issuance of this bond, and all the terms associated with it, are in line with the Development Agreement that was approved by the Goshen Redevelopment Commission, the City Council and Board of Works & Safety last spring. Although the project is underway, the issuance of this bond is necessary to allow for the project to be fully completed in 2023.**

**OCT. 10, 2022 PRESENTATION, DISCUSSION AND FINAL PASSAGE OF ORDINANCE 5134:**

**Mayor Stutsman** invited **City Redevelopment Director Becky Hutsell** to discuss the matter. She provided background and context. She also asked that the Council approve the updated final documents. She said the City expects to close on the bond later this month.

**Hutsell** said this will be a **taxable economic development revenue bond**. She said the City will issue the bond and it will be purchased by the developer or the developer's bank.

**Hutsell** said the Redevelopment Commission is pledging 75% of the TIF revenue generated by the bond toward repayment of the bond. If the bond doesn't generate the expected revenue, she said the developer will be responsible for making the payment whole. She added there will be a 20-year repayment term and all of the provisions are spelled out in the documents provided to the Council in the agenda packet.

In response to a question from **Council President Weddell**, **Hutsell** confirmed that the Council will need to approve the amended documents.

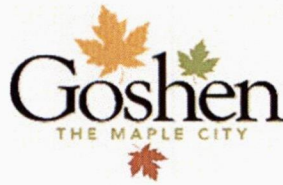
**Council President Weddell** made a motion to amend the financing exhibits and documents, using the versions attached to Ordinance 5134 for tonight's meeting. **Councilor Riegsecker** seconded the motion.

There were no questions or comments on the motion to amend the documents by either Councilors or members of the audience.

**On a voice vote, Councilors unanimously approved the motion by Weddell/Riegsecker to amend the financing exhibits and documents at 6:51 p.m.**

**Councilor King** confirmed with **Hutsell** that this bond was for the apartment complex being built across from the middle school.

**Council President Weddell** said the developer is making rapid progress on the project. He said walls have been brought to the site and installed.



**Mayor Stutsman** invited public comments on Ordinance 5134, but there were none. Councilors then indicated they were ready to vote.

**On a roll call vote, Councilors approved, on second and final reading, Ordinance 5134, Bond Issuance for Greenwood Rental Properties (Indiana Avenue Apartments), by a 6-1 margin, with Councilors Eichorn, Pérez, Nisley, Riegsecker, Schrock and Weddell voting “yes” and Councilor King voting “no” at 6:53 p.m.**

For the benefit of newcomers in the audience, **Mayor Stutsman** said that the Council cannot count the votes of the **youth advisor**, which is why the final vote on Ordinance 5134 was 6-1 and not 7-1.

#### **Elected Official Reports:**

**Mayor Stutsman** reported that the **state housing task force** on which he serves held its first meeting in Indianapolis. He said the group heard many presentations. Additional meetings will be held on Oct. 20 and Oct. 28 or 29. He said he was unsure of the outcome of this task force's work, but expected some recommendations.

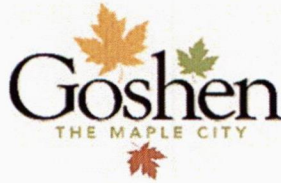
**Mayor Stutsman** said he and Department heads are continuing to work with budgets to close out the year and determine the amount of funds that will be carried over into 2023. He said departments also will be determining if there are projects that will be delayed and will require encumbrances of funds to 2023.

**City Court Judge Richard Mehl** said lawyers and judges are required to accrue continuing education hours every year. He said the Office of Court Services provides that through a seminar for judges every year. He said he attended a seminar the previous week and learned about a new procedure to collect fines and court costs. He said people who are indigent cannot be jailed if they cannot pay. But, he said there are people who can afford to pay but don't pay notwithstanding efforts to secure payments. Judge Mehl said that in those instances, the case is referred to a collections agency, but costs aren't always recovered. However, he said that he learned that there is a procedure through the Indiana Department of Revenue that allows the court to apply for a tax intercept of a non-payer's tax refund. Judge Mehl said one judge who has used this procedure reported that in the past two years he has collected \$20,000 in unpaid fines and costs. So, Judge Mehl said the City Court will pursue this approach and this should increase the amount of fines and costs collected and have a positive effect on the City Court's budget.

**Council President Weddell** expressed his sadness about the passing of **Administrative City Engineer Bryce Gast** and conveyed his condolences to the Engineering Department and the Gast family. He also expressed his condolences to the Bethany Christian Schools community for the Sept. 26, 2022 death of **Peter Shetler**, the school's technology director.

On a positive note, the **Council President congratulated Goshen High School** for the success of its tennis team, the boys and girls soccer teams, and the boys and girls cross country teams. He said this showed “there is a lot of good, too, happening in our community” and these students represent the City's future.

**Council President Weddell encouraged City Fleet Manager Carl Gaines to keep trying to hire mechanics.** He also reported that the **City Redevelopment Commission will meet on Oct. 11 and will discuss a conceptual plan for the Waterford Commons development proposal as well as the Millrace Town Homes project.**



Councilor Pérez thanked the City Parks & Recreation Department for continuing to maintain the parks so well. He also acknowledged the recent tragedy (a suicide) in a City park and thanked City staff who were on site to deal with the incident. He said Goshen College staff have been helping students affected by the death. He said he wanted City staff to know that they have the Council's support when they are dealing with difficult issues.

Councilor Pérez also reminded all that the City Community Relations Commission (CRC) would be celebrating Indigenous People's Day on Oct. 11 with a program at the Goshen Theater. He encouraged Councilors to attend the event and support the CRC. He also said he appreciated the commission's work.

Councilors Schrock and Weddell asked about the time of the event.

Community Relations Director A.J. Delgadillo responded that the event would take place between 6 and 8 p.m. on Oct. 11. He said there would be informational tables and presentations on stage starting at 6:30 p.m.

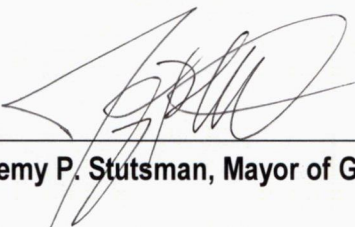
There were no further comments by the elected officials.

Councilor Nisley made a motion to adjourn the meeting, which was seconded by Councilor Pérez. Councilors unanimously approved the motion to adjourn the meeting.

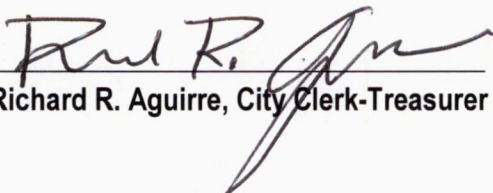
Mayor Stutsman adjourned the meeting at 6:59 p.m.

**EXHIBIT #1: Letter, dated Oct. 10, 2022, from Baker Tilly Municipal Advisors to Mayor Jeremy Stutsman addressing the City's increased property tax values, the decrease in the property tax rate and the increase in property tax caps. Based on an inquiry from Council President Weddell, the Mayor requested an explanation about the increase in the number properties reaching their tax cap. Mayor Stutsman provided the Baker Tilly letter to Councilors just before the Oct. 10 meeting.**

APPROVED:

  
\_\_\_\_\_  
Jeremy P. Stutsman, Mayor of Goshen

ATTEST:

  
\_\_\_\_\_  
Richard R. Aguirre, City Clerk-Treasurer



MUNICIPAL ADVISORS

Baker Tilly Municipal Advisors, LLC  
8365 Keystone Crossing, Ste 300  
Indianapolis, IN 46240  
United States of America

October 10, 2022

Honorable Jeremy Stutsman, Mayor  
City of Goshen  
202 South Fifth Street, Suite 2  
Goshen, Indiana 46528

T: +1 (317) 465 1500  
F: +1 (317) 465 1550  
bakertilly.com

Re: City of Goshen – Circuit Breaker Credits for 2022

Dear Mayor:

The table below represents the 2021 to 2022 change in assessed value, tax rate, gross property tax levy, and circuit breaker for the City of Goshen. The highlighted increase in circuit breaker is the amount in question. The likely reasons for this increase are listed within.

<i>City of Goshen</i>	<i>2021</i>	<i>2022</i>	<i>Change</i>
<b>AV</b>	\$1,384,643,991	\$1,478,084,633	6.74%
<b>Tax Rate</b>	\$1.4657	\$1.4552	-0.72%
<b>Gross Levy</b>	\$20,294,726	\$21,509,088	5.98%
<b>Circuit Breaker</b>	\$2,648,246.61	\$3,786,744.54	42.99%
<b>Circuit Breaker as a % of Levy</b>	13.04%	17.61%	4.57%

- The reduction in the County's LIT Property Tax Replacement Credit (PTRC) went down by approximately 1% from 2021 to 2022. LIT PTRC is applied before circuit breaker so when this amount decreases, circuit breaker increases meaning more properties hit their tax caps. This can be shown in the below table which shows the increase in the county-wide circuit breaker credits. Most notably, the 1% circuit breakers increased substantially which represents residential taxpayers.

<i>County-Wide Circuit Breakers</i>	<i>2021</i>	<i>2022</i>	<i>Change</i>
<b>1% CB</b>	\$9,696,291.24	\$13,474,012.46	38.96%
<b>2% CB</b>	\$10,538,327.30	\$12,129,138.58	15.10%
<b>3% CB</b>	\$8,721,691.58	\$11,482,142.96	31.65%
<b>Over 65 CB</b>	\$635,461.52	\$703,887.80	10.77%
<b>Total Circuit Breaker</b>	\$29,591,771.64	\$37,789,181.80	27.70%

2. Another possible cause is that Goshen and Concord Schools' circuit breaker exempt tax rates went down, but the circuit breaker non-exempt tax rates went up. The non-exempt tax rates would be included in determining the amount of circuit breaker credits on a tax bill while exempt rates do not factor into that calculation. This would also explain the increase in County-wide circuit breaker credits.

Overall, an increase in circuit breaker means more taxpayers are hitting their property tax caps. The above explanations further prove that trying to forecast changes in circuit breaker is extremely difficult as changes from overlapping taxing units and the County can affect the City's circuit breakers.

We would appreciate your questions or comments on this information and will provide additional information upon request.

Very truly yours,

BAKER TILLY MUNICIPAL ADVISORS, LLC